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## DCI Regional Meeting--13 November 1985

US-Greek-Turkish Relations

There are signs of progress in US-Greece and US-Turkey relations but continued Greek-Turkish enmity and domestic pressures in each of those countries mean there will be continuing constraints on the flexibility of either government.

In Greece, Papandreou is so far maintaining his more moderate course, cooperation with the US in various areas is better than it was a year ago, and the GSOMIA was recently initialed. But there are still many pitfalls. For one, leftists within the bureaucracy are perturbed by this trend and recently managed to scuttle a US anti-terrorist training program by leaking it to the press. More fundamentally, Papandreou's austerity program is arousing great discontent in the unions and producing cooperation between the Communist Party and some PASOK elements. The right is generally heartened by Papandreou's new policies but, at the same time, wants to exploit for its own ends any controversy that these policies precipitate. In brief Papandreou is using his June election mandate to steer his own course but must reckon with abiding opposition from the left and right.

As for the Turks they are withdrawing the least plausible of their demands for the new DECA--that it be made a formal treaty--but are sticking tough on their demand for increased US military and economic assistance. Undersecretary Armacost was treated to some harsh expressions of Turkish dissatisfaction during his recent visit, with Foreign Minister Halefoglu being particularly blunt. The most telling comment to him may well have been Ozal's statement that the removal of US trade barriers to Turkish products were the keys to the future of the US-Turkish relationship as well as Ozal's own political future. This statement was probably prompted by Turkey's continued economic problems as well as an apparent strengthening of religious fundamentalism which looks askance at Turkey's relations with the West.

Greece and Turkey are also not making any progress in resolving their Aegean differences, while on Cyprus the political turmoil in the Greek community rules out any possibility of progress in the UN-sponsored negotiations for at least the next several months.

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